

ECONOMIC COUNCIL LETTER

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Two Great Questions

I

THE biggest domestic question in the United States today is government spending and taxation. This question is most outstanding in Washington, where President Eisenhower seems suddenly to have become determined to achieve a balanced budget.

In New York State Governor Rockefeller is trying to persuade the Legislature to enact new taxes that will yield an additional \$277 million. Under his predecessor, Governor Harriman, who was in office the previous four years, the State budget grew from about \$1.25 billion to \$1.8 billion. Without the passing of a single new law, the funds required for the new fiscal year, under laws previously passed, now amount to an additional \$277 million. Governor Rockefeller, who has been raised politically in the Administrations of Roosevelt and Truman, takes the rather characteristic position that the best course is to levy that additional amount of taxation. Then all will be lovely and we can breathe freely again. As Harry Hopkins said: "Tax and tax, spend and spend, elect and elect."

But it may be that this time such a course as the New York Governor advocates is the wrong one—even politically. The American people are fed up with their money being taken from them by force and with the spending by politicians and intellectuals who think they know better than the people themselves what is best for the people.

What the New York State politicians and intellectuals forget is that the money the Federal Government spends has to come from the same people who in New York City are now paying heavy City taxes of various kinds and will pay heavier. They also face the existing heavy and the proposed heavier New York State taxes.

BUT the people in most other States are in little different position. California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Montana, Pennsylvania, South Dakota, Texas, West Virginia—all report deficits for the new fiscal year. So indeed do many American cities.

Here we certainly have an anachronism. Due to our

foreign policy over many years we have permitted Soviet Russia to build herself up till she is a boastful enemy of all free governments in the world, particularly of the United States. Indeed, it can be proved almost mathematically that the Government of the United States, by going repeatedly to the assistance of Soviet Russia when she has been in dire straits the past 26 years, has been the main cause of this build-up. For some time past we have been faced with the constantly growing danger of war with Soviet Russia.

Our own Federal Government appears to be honey-combed with communist influence. As an example, on June 14, 1956, Dr. Bella Dodd, a former member of the National Committee of the Communist Party, U.S.A., testified before the Internal Security Sub-Committee of the Senate Judiciary Committee, that a certain man whom she identified as a communist and whom she had known for many years, "was very active here on Capitol Hill, holding various positions in various Senators' offices. . . ."

Yet at this very time we see stepped-up activity in the game of putting our Federal Government and many of our State and local governments deep in the red. We believe investigation will disclose that the motives inspiring the forces long working toward public insolvency, as well as the forces which, through our foreign policy, have built up Soviet Russia, are identical. These forces tend to destroy America. Communist influence, exercised through many of our intellectuals and do-gooders, is dealing an unprecedented blow at American solvency at the very moment when the country should be girding itself for probable war.

Not only this, but we have such agitation as that conducted throughout the South, and in many cities of the North, in the attempt to force Negroes and whites to integrate in schools and elsewhere. From his statements and actions, as reported by the press, it would seem that the chief aim of U.S. Attorney General William P. Rogers is to force integration of the races—without regard to consequences.

We have in the United States a Federal debt greater than the aggregate debt of all other countries in the world, excluding Soviet Russia, and we have a \$12 billion deficit for the current fiscal year. The Congress in its

early weeks has passed housing and airfield legislation which, if the whole program, including other pending measures, is carried through, would mean as great, or perhaps an even greater deficit this coming year.

Similar efforts to spend and tax are being made in most of the States and many of our cities. Judging from many of the proponents of this suddenly expanded legislative program, there is a concerted effort to bankrupt the economy—while industry and business are trying to work out of the present recession.

All these things add up to making the United States, despite its wonderful traditions, a less desirable place in which to live. These pressures make for constantly growing discontent. Just like so many parts of our foreign policy the past 25 years, they all play straight into the hands of Soviet Russia.

So if war with Soviet Russia should develop, where would we have the means, or, as many citizens would feel, the incentive, to engage in it adequately? Perhaps by that time some of the left-wing forces in our Government would blandly announce that since we could not afford to fight such a war, we should capitulate.

It's not impossible!

AS to government spending alone, there is just one course to follow. **Not one additional tax should be levied.**

The Legislature of New York State, to take that State as an example, passed laws in recent years providing for various services which Governor Rockefeller talks about and which he says must be supported. But what a Legislature has done, it can undo. And now the point has been reached where it must undo some of what it has done. All the social welfare work in the world isn't as important as our national solvency or our national survival.

Let any governor indicate to his Legislature what services he believes the State can, *at least disadvantage*, go without. Or, if a Governor prefers not to do this, let the leaders of the Legislature take the initiative.

In nearly every year in recent decades, new services have been added. Before any of those services were added, the people never missed them at all. But after they were added, then, in the eyes of the politicians, those services became *essential*.

But the time has come to retrace our steps.

We need complete fiscal solvency, in every State and in every city, far more than we need to spend more money than the people can afford to spend. Following the example of the Federal Government, many of the States and cities have undertaken projects far in excess of what they need, and which cost in excess of the money available.

When John Q. Citizen finds that his expenses are running higher than his income, he follows the one course that is indicated—he retrenches, in order to balance his personal budget. The Federal Government, or any State or city government is in no different position.

Recently around the country a growing multitude of school communities have rejected spending proposals for new schools. They know the plans drawn have been in

many cases over-elaborate, extravagant. They have begun to doubt the value of much that is taught in many schools. They begin to see that much of the curriculum has been slyly directed to creating a socialist atmosphere in this free-enterprise country.

To all citizens who have taken part in these minor revolts—indeed to all citizens everywhere who love their country, we say unhesitatingly that there is a fresh task for you to take on.

Get in touch—and keep in touch with your legislators, Federal, State and local, and give them a piece of your mind. They have been influenced in the past mostly by socialists, do-gooders, one worlders.

They have not heard from plain Americans who like America and want to keep it solvent and independent.

Here's where you come in, Mr. and Mrs. Citizen. Most legislators are ready to listen to you.

II

ON January 27, 1837, Abraham Lincoln, then a member of the Illinois Legislature, said in the course of a discussion of the dangers to free institutions:

"At what point, then, is the approach of danger to be expected? I answer, if it ever reaches us, it must spring up among us. It cannot come from abroad. If destruction be our lot, we must ourselves be its author and finisher. As a nation of free men, we must live through all time, or die by suicide."

America and the American people are not too far from letting their free institutions die by suicide—unless they quickly make an about face.

The place to begin is in our foreign relations.

In Council Letter 448, we recounted that Mikoyan in an unguarded moment in January in Washington gave a clue to the fate of American airmen whose plane crashed in Russian territory in September 1958, and that Senator Frank J. Lausche of Ohio asked Mikoyan:

"Why don't you tell us about what has happened to our eleven American airmen whose plane crashed in Russian Armenia nearly four months ago?"

Mikoyan smiled and said it fell in Russian territory—that was all they knew about it. But then after a moment's hesitation he said:

"If the United States will tell us when its planes intend to fly over Russian territory, there will be no such incidents."

Our Council Letter then said:

"The clear inference is that the plane was shot down."

Now the American people know that the plane was shot down—in cold blood. And there is evidence that it was actually lured over the Armenian border by false information given by a Soviet plane.

But whether that is true or not, our unarmed transport plane was shot down in cold blood by Soviet pursuit planes.

The State Department has a tape recording obtained

through very efficient work of our intelligence system, for which we offer congratulations.

Mikoyan and other Russian officials, including the Russian Ambassador to Washington, Mikhail A. Menshikov, have lied out of whole cloth in denying they had any knowledge of what happened to the plane.

As a matter of fact, knowledge of this tape recording was in the hands of the Soviet Government as early as last November. Our own Government has long known of it.

On November 13 last, Menshikov met with Deputy Under Secretary of State Robert Murphy. Mr. Murphy

told Menshikov that it was his responsibility as Soviet Ambassador to the United States to listen to the representations that were being made to him. Nevertheless, the Soviet Ambassador refused to listen to the tape recording.

And after all that, the United States invited Mikoyan to come to its shores, and gave him preferred treatment everywhere! A visiting potentate of a friendly country would hardly have received greater consideration. Yet Mikoyan is one of the arch-liars who, ever since 1917, have been plotting the destruction of the United States. There isn't anything in the record to indicate that he

MANION FORUM RADIO STATIONS

All time P.M.

Birmingham, Ala.	WBRC (960) Sunday	7:15	Helena, Mont.	KXLI (1240) Sunday	7:30
Florence, Ala.	WJOI (1340) Sunday	8:15	Missoula, Mont.	KXLL (1450) Sunday	7:30
Geneva, Ala.	WGEA (1150) Sunday	5:45	Omaha, Neb.	WFAB (1110) Sunday	12:15
Haleyville, Ala.	WJBB (1230) Sunday	8:35	Buffalo, N. Y.	WEER (970) Sunday	8:15
Montgomery, Ala.	WHHY (1440) Sunday	5:00	New York, N. Y.	WINS (1010) Sunday	6:15
Bisbee, Ariz.	KSUN (1230) Monday	7:00	Belmont, N. C.	WCCG (1270) Sunday	9:35
Phoenix, Ariz.	KOY (550) Sunday	9:00	Charlotte, N. C.	WBT (1110) Sunday	5:35
Bakersfield, Calif.	KAFY (550) Sunday	5:45	Greensboro, N. C.	WGBG (1400) Sunday	10:35
Los Angeles, Calif.	KFI (640) Sunday	1:05	Winston-Salem, N. C.	WAIR (1340) Sunday	7:00
Oakland, Calif.	KLX (910) Sunday	3:45	Cincinnati, Ohio	WKRC (550) Saturday	6:15
San Diego, Calif.	KGB (1360) Sunday	8:00	Cleveland, Ohio	WERE (1300) Sunday	10:45
Denver, Col.	KHOW (630) Sunday	6:45	Columbus, Ohio	WTVN (610) Wednesday	7:15
Dist. of Columbia	WEAM (1390) Sunday	1:30	Oklahoma City, Okla.	KTOK (1000) Sunday	9:30
(Arlington, Va.)			Tulsa, Okla.	KVOO (1170) Sunday	8:05
Miami Beach, Fla.	WKAT (1360) Sunday	5:30	Portland, Ore.	KPOJ (1330) Sunday	8:00
Atlanta, Ga.	WAGA (590) Sunday	8:00	Philadelphia, Pa.	WTBG (990) Sunday	12:45
Brunswick, Ga.	WMOG (1490) Sunday	10:05	Pittsburgh, Pa.	WCAE (1250) Sunday	6:15
Columbus, Ga.	WDAK (1340) Sunday	10:05	Reading, Pa.	WREU (850) Sunday	6:00
McRae, Ga.	WDAX (1410) Sunday	5:45	Charleston, S. C.	WHAN (1340) Sunday	6:30
West Point, Ga.	WRLD (1490) See log.		Georgetown, S. C.	WGTV (1400) Monday	10:10
Chicago, Ill.	WLS (890) Sunday	10:00	Greenville, S. C.	WMRH (1490) Sunday	9:30
E. St. Louis, Ill.	WTMV (1490) Saturday	6:30	Orangeburg, S. C.	WDIX (1150) Sunday	3:00
Kewanee, Ill.	WKEL (1450) Monday	5:30	Spartanburg, S. C.	WTHE (1400) Sunday	9:30
LaSalle, Ill.	WLPO (1220) Sunday	1:45	Chattanooga, Tenn.	WAGC (1450) Sunday	8:30
Bloomington, Ind.	WTTS (1370) See log.		Knoxville, Tenn.	WKGN (1340) Monday	6:45
Evansville, Ind.	WGBF (1280) Sunday	6:30	Memphis, Tenn.	WREC (600) Sunday	7:15
Fort Wayne, Ind.	WGL (1250) Sunday	6:15	Nashville, Tenn.	WLAC (1810) Monday	6:30
Indianapolis, Ind.	WIBC (1070) Sunday	9:45	Amarillo, Tex.	KRAY (1360) See log.	
Portland, Ind.	WPGW (1440) See log.		Dallas, Tex.	WRR (1310) Sunday	8:35
South Bend, Ind.	WSBT (960) Sunday	10:15	Fort Worth, Tex.	WBAP (370) Sunday	8:05
Davenport, Iowa	KSTT (1170) See log.		Houston, Tex.	KTRH (740) Sunday	10:30
Des Moines, Iowa	KWDM (1150) Sunday	9:15	Huntsville, Tex.	KSAM (1490) See log.	
Wichita, Kan.	KFH (1330) Sunday	9:00	Midland, Tex.	KJBC (1150) Tuesday	5:15
Louisville, Ky.	WAKY (790) Sunday	6:30	Odessa, Tex.	KOYL (See log.)	12:35
New Orleans, La.	WTFS (940) Tuesday	4:45	San Antonio, Tex.	KMAC (630) Sunday	9:45
Shreveport, La.	KWKH (1130) Friday	9:30	Arlington, Va.	WEAM (1390) Sunday	1:30
Baltimore, Md.	WWIN (1400) Sunday	10:45	(Dist. of Columbia)		
Boston, Mass.	WEZE (1260) Sunday	6:30	Charlottesville, Va.	WCHV (1260) Sunday	7:30
Detroit, Mich.	WXYZ (1270) Sunday	6:15	Richmond, Va.	WRNL (910) Sunday	6:15
Ishpeming, Mich.	WJPD (1240) Monday	5:45	Seattle, Wash.	KIRO (710) Sunday	10:15
Minneapolis, Minn.	KEVE (1440) Sunday	5:45	Spokane, Wash.	KHQ (890) Sunday	7:00
E. St. Louis, Ill.	WTMV (1490) Saturday	6:30	Tacoma, Wash.	KTRB (See log.)	6:45
Kansas City, Mo.	KMBC (980) Sunday	9:45	Charleston, W. Va.	WHMS (1490) Sunday	8:30
Bozeman, Mont.	KXLQ (1450) Sunday	7:30	Ligon, W. Va.	WLOG (1230) Tuesday	6:00
Butte, Mont.	KXLF (1370) Sunday	7:30	Wheeling, W. Va.	WKWK (1400) Sunday	8:30
Great Falls, Mont.	KXLK (1400) Sunday	7:30	Shawano, Wisc.	WTCH (960) Saturday	5:30

Time of broadcasts subject to change.—Please watch newspaper logs.

and his associates have ever had any other intention than to enslave the American people, wiping out all vestiges of the America we have known.

Certainly the time has come to end all this. The utter nonsense — indeed, the treason implied in any further friendliness with Soviet Russia, as in the “cultural exchanges” and all that claptrap, should end.

THE United States is today harboring both the United Nations on the East River in New York, and the Soviet Embassy in Washington. Both are clearly among the chief centers of Soviet espionage and activity in the whole world.

In recent months we have seen the Batista Government of Cuba overthrown by Fidel Castro. There are strong reasons for believing Castro is under communist control. If so, we have a communist country within 90 miles of our Florida coast!

Revolutions similar to that in Cuba have developed or are developing in Venezuela, Guatemala and other South and Central American countries, and it is the considered opinion of authorities that Soviet Russia has steadily gained in influence in the Western Hemisphere. The disgraceful reception of the Vice President of the United States in Latin America last year shows the extension of communist infiltration there.

To preserve not only our self-respect, but our own national survival, the time has come to act.

The United States has felt the evils of Soviet plotting ever since Roosevelt recognized the Soviet Government in 1933. The United States has not gained by any Soviet contact. It has always lost. And it will always lose until that time, which could be before the present Administration in Washington ends, when we will have been brought completely under the control of Soviet Russia.

WHAT more do we want, to convince us of Soviet perfidy — than the murder in cold blood of 17 American airmen?

There is just one course for the United States to follow:

Sever diplomatic relations with Soviet Russia.

Call our American Ambassador home.

Send Menshikov and all his staff packing.

Get every representative of Soviet Russia out of the United States.

And the next step is to withdraw our representatives from the United Nations, and demand that the United Nations pick up their headquarters and leave our shores.

It may be said that we can't force the UN out of the United States, because it is here by treaty. The hell we can't! What law says we may not save our country from disaster?

Let's get rid of the UN while we are strong enough to do so. Within a year or two we may reach the point where it will be impossible to break relations with Soviet Russia or to get the UN out of the United States. The United States has not profited one whit from the UN. As with Soviet Russia, the United States has lost in every deal with the UN.

EVERY other country in the world, especially Soviet Russia, is for itself first. Yet the United States has followed the utterly fatuous policy of being for all the world first, and for the United States last.

Now is the time for all citizens, who value their liberty and who love their country, to tell their President and their Representatives and Senators that they want this country to remain free—at all costs.

One of the greatest pro-American forces today is the Manion Forum. On February 8, Dean Clarence Manion gave his 228th weekly broadcast. His guest speaker during part of that broadcast was Mr. Walter Harnischfeger, chairman of the board of the Harnischfeger Corporation of Milwaukee, chairman of the Citizens Committee on Foreign Aid, and a director of the National Economic Council. Because of the importance of the Manion Broadcasts, we give (on page 3) the complete list of the radio stations carrying Dean Manion.

This Council Letter may be quoted in whole or part provided due credit is given to the National Economic Council, Inc., Empire State Building, New York 1, N. Y., and quotation is specified to be from Economic Council Letter 449, February 15, 1959.

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